

[By Sam Hemingway, Burlington Free Press](#)

Rep. Peter Welch, D-Vt., said Monday he wants a jobs bill now making its way through Congress to include a provision that would encourage struggling employers to temporarily retain workers rather than lay them off.

"We need to be able to find ways to fight another day," Welch said. "The economy is going to turn around, but we can't lose our manufacturers and we can't lose our skilled workers. We need to keep them going so when that economy turns around, we're ready to go."

Welch, appearing at a Burlington International Airport news conference with five Vermont business leaders, said the plan would be modeled after the Short-Time Compensation program in effect in Vermont and 16 other states.

The state program, funded via the unemployment insurance program, has saved 2,000 jobs in Vermont in 2009, according to Welch.

Under the program, the unemployment compensation fund pays for worker hours that otherwise would have been cut, allowing workers to retain their income level. Employers, for their part, are mandated to continue to provide health and pension benefits. It would be limited to a six-month period.

Welch said the program helps maintain economic stability for good workers and saves employers the cost of losing those workers to layoffs and then later having to train a new worker when work conditions improve.

"If an employer is seeing a reduction in revenues because of lower demand in economic times and they want to work with their workers to keep them on the payroll but have shorter hours, the unemployment insurance fund will help make up the difference," Welch said.

Welch said he wants the federal government to pick up the cost of the program and make it available in all 50 states, but does not know what its cost would be. He said he hopes the program could be funded through existing federal stimulus money.

Many state unemployment compensation funds have been exhausted during the current recession. Vermont's fund is expected to be empty by February.

"This program has been very beneficial to us," said Paul Frascoia, president of Fab-Tech Inc. in Colchester. "It has allowed us to maintain a steady staff during the down times and offer benefits to our employees in those down times."

Patricia Moulton-Powden, the state labor commissioner, praised Welch for proposing the idea of making the short-time compensation program part of the jobs bill.

"It's a Vermont idea that should have legs nationally," Moulton-Powden said.